



Open Enrollment Edition

Open Enrollment Web Page: Visit the PEEHIP Open Enrollment web page at www.rsa-al.gov/PEEHIP/open-enroll.html to find the information you need to make informed decisions about your health plan selections. You will find FAQs, tutorials, deadlines, Open Enrollment packets, information about adult child coverage, and other information relating to open enrollment.

Open Enrollment Packets: The 2012-2013 packets will be made available online on the PEEHIP Open Enrollment web page by July 1, 2012. Just as last year, PEEHIP will not be mailing an Open Enrollment packet to its members. Instead, active and retired members can view and/or download a copy of the Open Enrollment packet from the PEEHIP Open Enrollment web page at www.rsa-al.gov/PEEHIP/open-enroll.html. Members can make their insurance enrollments and/or changes online through Member Online Services at www.rsa-al.gov.

For members who do not have Internet access and cannot download the information, RSA Member Services can

mail you an Open Enrollment packet by calling 877.517.0020.

Online Open Enrollment: Make your open enrollment changes **online** this year – it is the easiest, most efficient, and **preferred way** to enroll in new coverages or make changes to your existing coverages! Sixty percent of all open enrollments last year were made online.

The Open Enrollment link to enroll online will be available beginning July 1, 2012, and will remain available through the entire online Open Enrollment period ending midnight September 10, 2012.

To make your Open Enrollment elections online:

1. Go to www.rsa-al.gov and click Member Online Services.
2. Enter your self-selected User ID and Password at the Log In page.
3. If you do not have a User ID and Password, click Register Now and follow the on screen prompts to create your own User ID and Password. You will need your PID number which is the last eight digits of your contract number on your

PEEHIP insurance card (exclude the leading zero).

4. Once you successfully log in, click the link “Enroll or Change PEEHIP Coverages” from the PEEHIP menu found at the left of your screen.
5. Click the Open Enrollment option and then click Continue and follow the on screen prompts until you receive your Confirmation page.

Helpful Information about Open Enrollment:

- ◆ If you do not wish to make changes to your PEEHIP Hospital Medical or Optional Plan coverages, please do **NOT** submit an Open Enrollment form to PEEHIP.
- ◆ **EXCEPTION:** If you want to renew your Flexible Spending Accounts or Federal Poverty Level Premium Discount, you must **re-enroll each year** as these two programs do not automatically renew.
- ◆ Members enrolling in new insurance plans should receive a new ID card no later than the last week in September. ■

Important Open Enrollment Dates

Open Enrollment begins July 1, 2012, and will end by the following deadlines:

- ◆ **Online:** The deadline for submitting **online** Open Enrollment changes is midnight **September 10, 2012**. After September 10, 2012, online Open Enrollment changes will not be accepted and the Open Enrollment link will be closed. **Online enrollment is the easiest, most efficient and preferred method of enrolling or making changes.**
- ◆ **Paper:** The deadline for submitting **paper** Open Enrollment forms is **August 31, 2012**. Any paper forms postmarked after August 31, 2012, will not be accepted.
- ◆ **Flexible Spending Account:** The deadline for enrollment or re-enrollment in a **Flexible Spending Account** online or on paper is **September 30, 2012**.

Effective Date of Coverage:

All Open Enrollment elections approved by PEEHIP will have an effective date of
October 1, 2012

Participate in PEEHIP's Flexible Spending Accounts and Save Money!

PEEHIP offers two types of Flexible Spending Accounts (FSA) to **active** employees:

1. **Health Care FSA.** Do you or a family member have at least \$120 in out of pocket medical expenses in a year? The Health Care FSA is what you need to help you get a real tax break on those expenses. The minimum annual contribution is \$120 and the maximum contribution is \$5,000.
2. **Dependent Care FSA.** Do you pay for day care of a child or adult dependent while you and your spouse work? The Dependent Care FSA would help you save on your income tax for that expense. The minimum annual contribution is \$120 and the maximum contribution is \$5,000, or \$2,500 if you and your spouse file income taxes separately.

Here's How it Works:

1. You contribute pre-taxed dollars into your flex account via payroll deduction.
2. You submit eligible expenses for reimbursement throughout the year (see the article below about the new Flex Card reimbursement option for the Health Care FSA now offered by PEEHIP).
3. The money you paid out of pocket is reimbursed to you from your flex account.

By law, retired employees are not allowed to participate in the Flex program. For more information about PEEHIP's Flexible Spending Accounts, visit our web page at www.rsa-al.gov/PEEHIP/flex.html. ■

Flex Debit Card Now Offered by PEEHIP!

PEEHIP is pleased to offer the Flex Debit Card as a reimbursement option under the PEEHIP Health Care Flexible Spending Account (FSA). The Flex Card may be used at authorized merchants and health care providers that accept MasterCard for eligible products or services, which are reimbursable under your Health FSA. Rather than paying out of pocket and waiting for reimbursement, you will now be able to utilize the card to pay for qualified expenses. The card will pay the provider or merchant directly from your Health FSA. Using a flex card eliminates the time spent waiting on reimbursement checks and removes the lag time between the expense and the reimbursement.

Here's How It Works:

1. Enroll in the PEEHIP Health Care FSA during Open Enrollment and choose the Flex Debit Card reimbursement option.*
2. Your Flex Card will be mailed to you by Blue Cross Blue Shield prior to October 1, 2012. (Note: The card is automatically activated the first time you have a card transaction.)
3. When you incur an eligible expense (such as an office visit

copay or vision care expense) at a qualified provider, you can pay the provider with your Flex Card. Examples of qualified providers include: hospitals, home health care providers, vision providers, pharmacies, physicians, durable medical suppliers, dentists

4. When using the Flex Card at self-service merchant terminals, select the **credit** option. **DO NOT** select **debit** because no PIN is associated with this card.

The Flex Card is intended for, and restricted to, use for eligible services and/or purchases associated with a Health Care FSA, as governed by the Internal Revenue Service in conjunction with flexible spending accounts and all federal and state laws relative to those accounts. Note: The IRS requires validation for each Flex Card transaction, so you will need to keep your receipts should BCBS request a receipt from you to verify a charge.

*If you wish to change your **initial** reimbursement election that you chose upon enrolling in the PEEHIP Health FSA, you must contact BCBS toll free at 800.213.7930. You cannot change your reimbursement option through PEEHIP; you must contact BCBS.

Take advantage of this benefit and enjoy easy access to your Health FSA! ■

Flex Health Care Maximum Contribution Amount Remains \$5,000

The maximum annual contribution to the PEEHIP Health Care FSA remains \$5,000 during the 2012-2013 plan year.

An article published in the June 2012 *PEEHIP Advisor* regarding the effective date of the maximum cap of \$2,500 for the PEEHIP Health Care FSA is incorrect. Subsequent to publishing the article, the IRS released Notice 2012-40 to provide guidance and clarification on the effective date of the cap which revealed that PEEHIP does not have to implement the new annual limit until **October 1, 2013**, rather than October 1, 2012 as originally believed.

Federal Poverty Level Premium Discount Program

PEEHIP provides premium assistance to qualifying members (active and retired) based on the Federal Poverty Level (FPL). A PEEHIP member who has a combined family income of 300% or less of the FPL may qualify for a reduced premium on his or her PEEHIP hospital medical or HMO premium and may apply for the discount anytime during the year. The discount does not, however, apply to the optional coverage plan premiums. The discount can reduce the member's monthly premium by 10, 20, 30, 40 or 50% depending on the member's FPL. To apply for FPL premium assistance:

- ◆ Submit the FEDERAL POVERTY LEVEL ASSISTANCE APPLICATION with a copy of your signed Federal Income Tax Return forms and copies of all supporting 1099s and W-2s.
- ◆ The form is available on the PEEHIP web page at www.rsa-al.gov/PEEHIP/peehip-pubs-forms.html.
- ◆ The FPL premium discount is effective for the plan year only and recertification and reenrollment is required annually during Open Enrollment. ■

Notice to Enrollees in a Self-Funded Non-Federal Governmental Group Health Plan

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirement listed below. However, the law also permits state and local governmental employers that sponsor health plans to elect to exempt a plan from the requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The Public Education Employees' Health Insurance Board has elected to exempt the PEEHIP from the following requirement:

- ◆ Protections against having benefits for mental health and substance use disorders are subject to more restrictions than apply to medical and surgical benefits covered by the plan.

The exemption from this federal requirement will be in effect for the Plan Year beginning October 1, 2012. The election will be for every subsequent plan year. HIPAA also requires PEEHIP to provide covered employees and dependents with a "certificate of creditable coverage" when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer's health plan, or if you wish to purchase an individual health insurance policy. For more information regarding this notice, please contact PEEHIP. ■

July is UV Safety Month

Many of us are aware of the importance of protecting our skin from ultraviolet (UV) rays. UV rays cause sunburn and can cause skin cancers. UV rays also have damaging effects on vision and overall eye health.

The sun releases radiation in many forms. We see sunlight, we feel heat, but UV rays are invisible.

There are two types of UV rays: UV-A and UV-B. Over time, these will negatively affect your eyes. The UV-A rays damage your central vision by affecting your macula, which is part of the retina. The UV-B rays affect the front part of your eyes, the cornea and the lens. These rays are absorbed and may cause even more damage than UV-A rays.

Protecting your eyes from the sun is relatively simple. When outdoors, protect your eyes from damage by wearing sunglasses that block 99 - 100 percent of UV-A and UV-B rays. Be sure the label clearly states this. Wearing a wide brimmed hat can cut the exposure to UV rays in half.

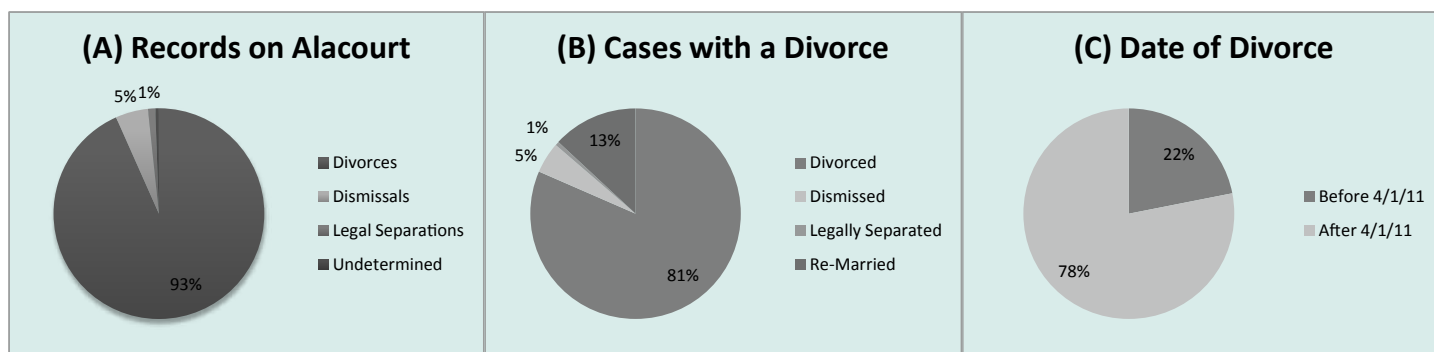
For more information about UV rays and eye health, visit www.preventblindness.org. ■

Monthly Divorce Audit

Following our Dependent Eligibility Verification Audit (DEVA) conducted by Secova that began on April 1, 2011, and ended June 30, 2012, PEEHIP has contracted the Alabama Department of Public Health (Vital Statistics Division) to provide a monthly report indicating divorces of active and retired members covered under PEEHIP. On a monthly basis, PEEHIP, with the use of AlaCourt, will perform an internal divorce audit to verify the members' marital status. PEEHIP policies specify that **ex-spouses and ex-stepchildren are not** eligible dependents for PEEHIP coverage even if a member continues to pay for family coverage.

PEEHIP has limited funds to cover the high cost of claims and coverage. With the funding pressures, budget constraints, and rising health care costs, the PEEHIP Board and staff have worked hard to implement programs such as the DEVA audit to help control costs. However, the most recent audit with Vital Statistics still shows that PEEHIP is covering ineligible dependents, **mainly divorced spouses**. Covering ineligible dependents unnecessarily causes higher costs for all eligible PEEHIP members. Members with a divorced spouse will ultimately end up paying the incurred claims and can lose the ability to have the ex-spouse enroll in COBRA. They may also become disqualified from coverage under the PEEHIP plan. It is imperative that PEEHIP members timely notify PEEHIP of a divorce to avoid these penalties and hardships.

PEEHIP received its first report from Vital Statistics this past May. There were 180 accounts listed on the report. Of those 180 accounts, PEEHIP found that 168 (93%) had a divorce listed on AlaCourt (Chart A). Of those 168 cases, PEEHIP found that 137 (81%) were still divorced, 8 were dismissed, 1 was legally separated, and according to PEEHIP's records 22 were re-married (Chart B). Of the 137 cases PEEHIP found that were still divorced, 30 divorces (22%) took place prior to the DEVA and 107 (78%) took place during the DEVA (Chart C). ■



Alacourt	180
Divorces	168
Dismissals	9
Legal Separations	2
Undetermined	1

Current Status	168
Divorced	137
Dismissed	8
Legally Separated	1
Re-Married	22

Date of Divorce	137
Before 4/1/11	30
After 4/1/11	107

Did You Know?

According to the U.S. Consumer Product Safety Commission (CPSC), nearly 6,000 Americans spent part of their Fourth of July holiday in the emergency room in 2009 due to fireworks injuries. Of those injuries, fireworks caused an estimated 1,600 eye injuries. The injuries included contusions, lacerations, and foreign bodies in the eye. Some injuries even caused permanent vision loss. Discuss fireworks safety and how to avoid injuries during Fourth of July celebrations. ■

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